Tennessee Valley Authority

INVESTMENT CHALLENGE

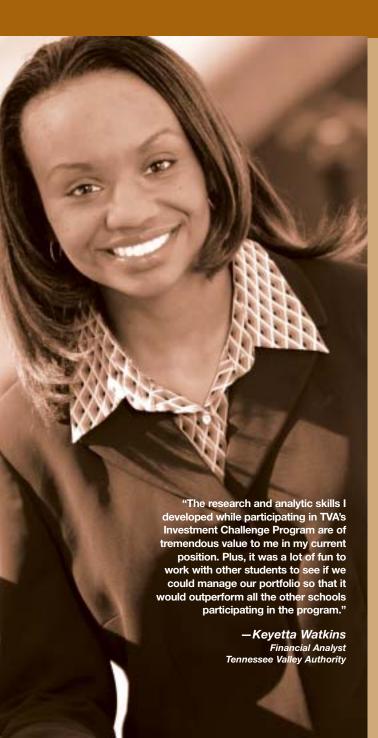
TRADING IN FUTURES



INVESTMENT CHALLENGE



TVA's Investment Challenge Program is an innovative and unique partnership between TVA and 25 universities in its service territory that provides a real-world learning experience in portfolio management. The program gives teams of students hands-on experience managing TVA stock portfolios, and in the process students compete on behalf of their schools for monetary prizes awarded on the basis of portfolio performance.

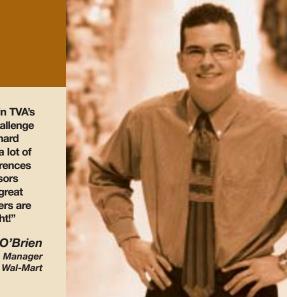


Under the guidance of a faculty member, students design long-term management strategies, actively manage funds, and periodically provide performance reports to TVA. Student investment teams are held to the same guidelines as professional money managers. At the Investment Challenge Program Spring Conference and Awards Ceremony, TVA

presents trophies and \$75,000 in prize money to the universities whose student-managed portfolios generate the highest returns and to those who beat their selected benchmark.

In support of the Investment

Challenge Program, TVA provides oversight and guidance to help students apply financial management concepts to real-world situations. TVA sets investment guidelines with enough flexibility to give students the full benefit of managing their own portfolios. In addition, TVA representatives visit the classrooms to discuss the students' logic and strategies behind their portfolio management decisions and offer constructive feedback.



op • por • tun • ity, *noun*Chance for advancement or success.

CONFERENCES AND AWARDS CEREMONIES

Twice a year, TVA sponsors conferences and seminars that bring together students from different universities throughout the region to share investment strategies and lessons learned from their classroom experiences. The Investment Challenge Program Spring Conference and Awards Ceremony recognizes the schools with the top-performing portfolios and the ones that outperformed their selected benchmark. At the Fall Conference and Job Fair, TVA provides opportunities for students to interview with more than 40 companies.

TVA recruits top speakers and financial leaders from across the country as keynote speakers for each conference. Students can choose from a variety of career-focused seminars designed to increase skills and knowledge in several areas: stock analysis, resume and job interview preparation, professional certifications, personal financial investment strategies, and other topics pertaining to investment, finance, and accounting careers.

HISTORY

"Participating in TVA's

Investment Challenge Program was hard

work but also a lot of

fun. The conferences

and the speakers are

-Tommy O'Brien

Assistant Store Manager

that TVA sponsors each year are great

always top flight!"

In 1998 TVA created the Investment Challenge Program by designating \$1.9 million to 19 universities to manage actual investment portfolios. In 2003 TVA added six new schools to the Investment Challenge Program, bringing the total number of schools to 25. TVA also increased the Investment Challenge Program portfolio to \$10 million after the success of the program demonstrated that student-managed portfolios performed competitively against professionally managed ones. Each school is allocated approximately \$400,000 to invest in the stock market on behalf of TVA. TVA's Nuclear Decommissioning Trust Fund provided the original \$1.9 million investment in the program and furnished an additional \$8 million investment to expand the program in 2003. The Nuclear Decommissioning Trust Fund was created to meet the financial obligations of decommissioning TVA's six nuclear units.

Annual Performance Awards

1st Place: \$15,000 2nd Place \$10,000 3rd Place \$5,000

3-Year Performance Awards

1st Place: \$20,000 2nd Place \$15,000 3rd Place \$10,000





"For me, the opportunity to work together as a team while using our individual research skills was probably the most important aspect of participating in the Investment Challenge Program."

- Rob Corley Senior Business Analyst Pacific Investment Management Company



JOB FAIR

TVA actively supports sustainable economic development in the Tennessee Valley by providing educational and career opportunities to students through TVA's Investment Challenge Program. Each fall TVA brings together over 40 regional and national companies to provide potential career opportunities for Investment Challenge Program students. Students get the chance to learn more about companies, obtain career advice from recruiters and financial professionals, and start focusing on the job-search process.

Students are asked to submit their resumes several weeks before the job fair, and TVA creates an index of the resumes that is given to recruiters prior to the event. Companies arrange for interviews with students at the job fair in advance of the conference.



also gave me confidence in my job search because

BlackRock International, Ltd.





fu•ture, noun

A prospective or expected condition, especially one considered with regard to growth, advancement, or development.

Alcoa, Inc. • American Express • AmSouth Bank • Bechtel Jacobs Company LLC • BI-LO, LLC • BlueCross BlueShield of Tennessee • Chick-fil-A • Cintas Corporation • CVS Pharmacy • Deutsche Bank • Eli Lilly & Company • Federal Bureau of Investigation • Federal Deposit Insurance Corp. • FedEx Services • First Investors Corporation • Goldman Sachs • HCA, The Healthcare Company • Internal Revenue Service • INVESCO-National Asset Management • Kroger • Marsh • Mayfield Dairy Farms • Mellon Financial Corporation • NASA Johnson Space Center • PIMCO • PricewaterhouseCoopers, LLP • Primacy Relocation, LLC • Ruby Tuesday • Social Security Administration • SouthTrust Bank • Tennessee Department of Treasury • Tennessee Valley Authority • UPS • U.S. Department of Energy • U.S. General Accounting Office • U.S. Xpress Enterprises, Inc. • USDA/Rural Development • Walgreens • Wal-Mart • Wellington Management Company • Wells Fargo Financial Acceptance • Wilshire Associates • Y-12 National Security Complex • Zurich North America Insurance • Zycron Computer Services, Inc.





TVA is proud to offer the Investment Challenge Program in partnership with the region's major educational institutions.

University • Christian Brothers University • East Tennessee State University • Lipscomb University • Middle Tennessee State University • Mississippi University for Vomen • Murray State University • Tennessee State University • Tennessee Technological University • Trevecca Nazarene University • University of Alabama at Huntsville • University of Kentucky • University of Memphis • Union University • University of Mississippe University of North Alabama • University of Tennessee at Chattanooga • University of Tennessee at Knoxville • University of Tennessee at Martin • Vanderbilt University • Western Carolina University • Western Kentucky University

TVA CORPORATE OVERVIEW

The Tennessee Valley Authority is the nation's largest public power producer. Wholly owned by the U.S. government, TVA was established by Congress in 1933 to provide navigation, flood control, and agricultural and industrial development and to promote the use of electric power in the Tennessee Valley region. Through 158 public power utilities, TVA supplies electricity to 8.3 million people in the TVA service area. Along with affordable, reliable power, TVA delivers value to the regional economy by supporting a thriving river system and promoting economic growth.

FOR MORE INFORMATION

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